

# Understanding Sunnyvale’s 2005/2006 Adopted Budget

## SUNNYVALE’S APPROACH TO BUDGETING

The City of Sunnyvale’s unique way of budgeting is part of the City’s internationally recognized Planning and Management System. The Sunnyvale budget looks ahead for many years, anticipating income and expenses over a long-term perspective. FY 2005/2006 is the second year of the two-year operating budget cycle and the first year of the projects budget cycle. Most operating programs are not reviewed extensively the second year, allowing staff instead to perform a detailed review of all infrastructure, capital and special projects.

Due to the continuing weak economy combined with increasing personnel costs and negative impacts from the State budget, the City’s FY 2005/2006 Projects and Operating budget reflects the “bare bones” level required to maintain existing infrastructure and services. The FY 2005/2006 budget also includes an unfunded projects list that represents substantial future unfunded liabilities to the City. Even with the “bare bones” budget, \$1.7 million in reductions or revenue enhancements will be required starting FY 2006/2007 to maintain the existing service levels. The City is exploring several fiscal strategies over the next year to address this gap and better position the City for other fiscal pressures.

## REVENUES

### Sources of Funds

Most of the money that supports City services and projects comes from either fees paid by users of services or taxes. User fees include payments for water, sewer, garbage, and recreation services. Utility services are supported entirely through user fees. User fees are the single largest source of City revenue, making up about 43% of the total estimated revenues. Taxes are the next largest source of City revenue at 33% of the total estimated revenues. The majority of City tax revenue comes from sales taxes and property taxes, even though the City only receives 1 cent of the sales tax and about 13 cents of each dollar of property tax. These tax sources have also been impacted by the economic downturn and on-going recession and legislative actions. It now appears that most of the City’s key revenues have finally bottomed out and begun to grow slowly. Unfortunately, in many cases the City’s revenues have stabilized at a new, lower base level. Additionally, several State initiatives have redefined or modified some of the City’s revenue sources or the manner in which they are allocated.

About 11% of the City’s funds for FY 2005/2006 will come from federal, state and local agencies or grants from other government agencies. The City also obtains funds from

various other sources, including interest on its investments, making up about 8% of the total estimated revenues. About 5% of the total sources of funds will come from use of reserves.

## EXPENDITURES

### Operating Budget

Approximately 87% of the FY 2005/2006 budget will go toward the provision of services that ensure Sunnyvale’s citizens and businesses enjoy well-maintained streets, clean parks, first-rate library services and a safe, secure community. The funds for these services are appropriated into a spending plan called the Operating Budget. This plan is revised every other year to take into account changes in inflation, changes in conditions in the community, and changes in the amount of services necessary to maintain the City’s standards of excellence.

### Project Budget

About 10% of this year’s budget will go toward projects. Just as individuals or businesses may set aside money for home repairs or replacement of an aging car, the City plans ahead for long-term maintenance, renovation and repair, improvements, and major additions. These efforts are funded through the City’s Projects Budget. Through the Projects Budget the City proactively addresses long-term needs by identifying project costs, future operating costs, and any outside funding sources. Thus the City has already determined how it will pay for many of its long-term renovation and replacement needs. Some of the major projects included in the FY 2005/2006 Budget are as follows: Mathilda Avenue Railroad Overpass Replacement and Reconfiguration, Borregas Avenue Bicycle Corridor, Mathilda/237 Area Transportation Improvements, Mary Avenue Extension, and Radar Speed Signs.

### Debt

Just as individuals may borrow money for a house or car, the City occasionally borrows funds to go toward major improvements. For instance, the City is currently paying off debt for funds borrowed to improve the City’s wastewater services (sewer). The debt payments are funded by fees paid by users of the particular service. The City’s debt level is low, at about 3% of the total budget.

### For More Information

More information about Sunnyvale’s FY 2005/2006 adopted budget is available through the Department of Finance link at the City’s website (<http://sunnyvale.ca.gov>).



Questions/comments please contact:

City of Sunnyvale  
Department of Finance  
650 West Olive Avenue  
P.O. Box 3707  
Sunnyvale, CA 94088

or

call (408) 730-7380

The Adopted FY 2005/2006 Budget  
is available online at:  
<http://sunnyvale.ca.gov/>

For general information please call (408) 730-7500



# CITY OF SUNNYVALE

## FY 2005/2006

# ADOPTED BUDGET SUMMARY

# Fiscal Year 2005/2006 Adopted Budget Summary

## TOTAL ESTIMATED REVENUES

<b>USER FEES (43%)</b>	<b>.....\$98,000,364</b>
Garbage Fees .....	26,840,693
Water Fees.....	22,675,518
Sewer Fees .....	17,606,056
Franchise Fees .....	6,918,661
Recreation Service Fees.....	6,905,170
Permits and Licenses.....	4,753,198
Rents and Concessions .....	4,150,880
Other Fees and Services.....	3,902,545
Park Dedication Fees .....	3,478,810
Fines and Forfeitures .....	768,833
<b>TAXES (33%)</b>	<b>.....\$75,066,050</b>
Property Tax .....	32,969,266
Sales Tax .....	26,133,903
Utility Users Tax .....	6,015,416
Hotel and Motel Tax .....	5,250,225
Gas Tax.....	2,556,058
Other Taxes .....	2,141,182
<b>INTERGOVERNMENTAL (11%)</b>	<b>.....\$25,045,199</b>
SMaRT Station Operations/Reimbursement.....	9,850,654
Workforce Investment Act Grant .....	9,339,000
Community Development Block Grant.....	1,418,817
Other Agencies Contributions.....	1,404,445
State Shared Revenues .....	1,079,973
HOME Program Grant.....	747,978
Motor Vehicle License Fees .....	689,738
Federal Grants .....	514,594
<b>OTHER (8%)</b>	<b>.....\$17,823,918</b>
Interfund Revenues.....	7,652,957
Interest Income.....	5,829,301
Other Revenues.....	3,772,996
SMaRT Station Revenues.....	568,665

**USE OF RESERVES (5%)** .....\$10,883,795

**TOTAL ESTIMATED REVENUES** .....\$226,819,326

(Excludes Internal Service Fund revenues)

## TOTAL APPROPRIATIONS

### OPERATING BUDGET (87%):

**CITY MANAGER'S OFFICE** .....\$3,944,823

**CITY ATTORNEY'S OFFICE** .....\$1,356,189

**CITY COUNCIL** .....\$365,312

**COMMUNITY DEVELOPMENT DEPARTMENT** .... \$6,756,882

Development Services .....	3,757,519
Neighborhood Preservation .....	820,199
Economic Prosperity .....	755,907
Housing and Human Services.....	716,637
Community Planning.....	706,620

**EMPLOYMENT DEVELOPMENT DEPARTMENT** ...\$10,126,301

**FINANCE DEPARTMENT** .....\$6,890,708

**HUMAN RESOURCES DEPARTMENT** .....\$1,495,068

**LIBRARY DEPARTMENT** .....\$6,934,573

**PARKS AND RECREATION DEPARTMENT** .....\$18,217,425

Recreation .....	7,992,255
Parks and Open Space Management.....	6,549,824
Golf Course Maintenance and Golf Shop Services...	3,034,281
Administrative Services.....	641,065

**PUBLIC SAFETY DEPARTMENT** .....\$62,088,960

Police Services .....	21,085,876
Fire Services .....	20,066,614
Special Operations.....	5,753,856
Technical Services.....	5,029,514
Community Safety Services .....	4,014,335
Public Safety Administration.....	3,987,070
Personnel and Training Services .....	2,151,695

**PUBLIC WORKS DEPARTMENT** .....\$78,810,419

Garbage Collection and Disposal .....	19,424,472
Water Supply and Distribution .....	17,096,941
SMaRT Station Operations .....	16,776,843
Wastewater Management.....	13,371,548
Pavement Operations.....	4,578,315
Transportation Operations .....	2,479,800
Street Tree Services .....	1,354,655
Right-of-Way Services.....	1,305,965
Concrete Maintenance.....	1,115,414
Public Works Support Services.....	612,436
Engineering Services .....	520,067
Parking District Landscaping.....	88,506
Public Parking Lot Maintenance .....	85,457

**PROJECT OPERATING BUDGET** .....\$9,668

**TOTAL OPERATING BUDGET**.....\$196,996,328

**PROJECTS BUDGET (10%)** .....\$23,009,589

Special Projects .....	7,808,035
Infrastructure Projects.....	7,105,093
Capital Projects .....	4,120,413
Lease Payments .....	1,849,908
Project Administration .....	1,572,207
Outside Group Funding .....	553,934

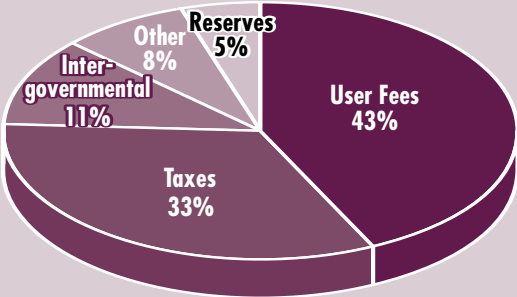
**DEBT (3%)** .....\$6,813,408

**TOTAL ADOPTED FISCAL YEAR 2005/2006**

**BUDGET**.....\$226,819,326

## SUNNYVALE REVENUE SOURCES

**FY 2005/2006 BUDGET**  
Total: \$226,819,326



## SUNNYVALE EXPENDITURES

**FY 2005/2006 BUDGET**  
Total: \$226,819,326

